

Finance, Revenue and Bonding Committee Public Hearing, Thursday, March 3, 2022

Testimony of John McNamara In support of SB 21

My name is John McNamara of New Britain and I'm testifying in support of Senate Bill 21 that represents a small step toward making the state's tax system at the local and state level fairer.

The proposal would impact residential real property with an assessed value of greater than one million two hundred thousand dollars. This will barely make a dent in the wallets of folks living in multi-million home homes and it would deliver some relief to taxpayers in many cities and towns who face higher costs for special education and school equity expenses across districts.

I would urge opponents of the measure to be honest and not distort the numbers on a 2 mil rate on homes that sell in the market for \$1.7 to \$2 million. There's going to be a lot of tax and tax cut demagoguery and grandstanding in 2022. It's already on television. Let's keep the distortions and fear mongering out of the discussion of Senate Bill 21 and other measures to create fairness for overburdened working and middle income families.

My perspective comes from being involved in recruiting and electing board of education members and municipal officials in my town for over 25 years. These local officials every day grapple with delivering local services under an unsustainable property tax structure. With SB 21 let's begin to change "our upside-down revenue system" an inequitable and unfair structure that has just been confirmed again by Commissioner Boughton about who pays more and who pays too little. The regressivity and injustice of Connecticut's tax system can no longer be ignored. The Voices for Children, with its own more comprehensive analyses, has informed you that median income households with \$76,106 in pre-tax income pay an effective tax rate of nearly 14% while the top one percent of tax filers with an average income of \$3,092,389 (who by the way live in those houses assessed at \$1,200,000 and up) had an effective tax rate of 6.5%. The playing field is not level. Why does a nurse or teacher from New Britain pay more than double the taxes than a hedge fund manager from Greenwich? Keeping the status quo on tax policy guarantees that tax burdens and income inequality will get worse for those living paycheck to paycheck. Attaining fairer and lower taxes for middle class families is not possible because of the current mix of regressive sales and property taxes and an income tax that has little progressivity.

As other states are considering legislation and referenda to tax wealth fairly for the common good I urge a favorable report from the committee on Senate Bill 21.

Thank you